

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON CORRECTIONS AND PUBLIC SAFETY

Call to Order: By **CHAIRMAN STANLEY FISHER**, on January 12, 2001
at 8:00 A.M., in Room 317-A Capitol.

ROLL CALL

Members Present:

Rep. Stanley Fisher, Chairman (R)
Sen. Arnie Mohl, Vice Chairman (R)
Rep. Tim Callahan (D)
Sen. Chris Christiaens (D)
Rep. Jeff Pattison (R)
Sen. Debbie Shea (D)
Sen. Tom Zook (R)

Members Excused: None.

Members Absent: None.

Staff Present: Mary LaFond, OBPP
Sandra Whitaker, Committee Secretary
Todd Younkin, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: Military Affairs, 1/9/2001
Executive Action: None

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HEARING ON MILITARY AFFAIRS BUDGET

Todd Younkin, LFD Staff, distributed copies of the Martz budget with current figures for everyone's referral and the 15% reduction plan as required by all agencies. He stated each agency will give a brief overview and he will give any program comments he may have upon completion of each section.

EXHIBIT(jch09a01)

EXHIBIT(jch09a02)

Major General John Prendergast, Dept. of Military Affairs, opened the meeting with an overview of the Dept. of Military Affairs. The Army National Guard has 2400 soldiers in 23 communities across the state. The Air National Guard has about 1000 people in Great Falls to serve the people in the State of Montana. The Dept. of Military Affairs includes the Disaster and Emergency Services, Veterans' Affairs, Youth ChalleNGe, Operational Support, and Army and Air National Guard programs. They will be asking for some funds to support the Youth ChalleNGe Program and the Scholarship Program. He is proud to state there is a \$100,000,000 building program going on in the Montana National Guard in the State of Montana.

OPERATIONS SUPPORT DIVISION

General Prendergast introduced **Mrs. Karen Revious, Administrator of Operations Support Division,** who gave a rundown on DP 101, DP 103, and DP 104.

EXHIBIT(jch09a03)

EXHIBIT(jch09a04)

Ms. Revious stated Operations Support provides departmental administration to the Office of the Adjutant General and department-wide support for accounting, personnel, labor relations, purchasing and property management. The division is primarily funded by the general fund with approximately 10% federal funds.

Ms. Revious requested in DP 101 a .60 additional FTE.

In DP 104, the department is reducing its computer costs.

DP 103 is a request for an Operations Support Compliance Specialist to audit expenditures, track fund balances and ensure the state is accurately interpreting the Cooperative Agreement appendices and the federal rules and regulations that govern National Guard funds.

In summary **Ms. Revious** stated she has been working for the Department of Operations Support for 17 years. In 1983 the department budget was \$1.8 million and the department now has \$58

million. At that time the department had 6 FTE and they still have 6 FTE.

Mr. Younkin stated the proposed budget was on the handouts and addressed the new proposal DP 105 - Governor Martz Increase Federal Funding Share. The description is a funding switch reducing general funds in each year of the biennium and increases federal funding each year of the biennium to reallocate the share the federal funding provided for the operations support program.

CHALLENGE PROGRAM

CHAIRMAN FISHER then proceeded to the ChalleNGe Program. **Mr. Chuck Swysgood, current Director, Office of Budget and Program Planning, and former Senator from District 17 Dillon** appeared in his capacity as former Senator. **Mr. Swysgood** explained how the ChalleNGe Program was funded. General Prendergast came to him late in the 1999 session to explain federal funds were possibly coming for the Program and asked if there was any way to fund this program on the State level. Being skeptical about new programs, he was hesitant.

After talking with Governor Racicot and making a few inquiries, he felt the program deserved consideration. When the federal funds were definitely awarded, he determined at that time as Chairman of the Senate Finance and Claims Committee the appropriate procedure to follow was through Conference Committee. Most of the budget process had been completed at that time. The Conference Committee has the ability to change decisions with enough votes and decided to use some of the tobacco revenue to fund the ChalleNGe Program and give it a chance.

Mr. Swysgood made a commitment to himself that he would follow the program to see the results and reported today it is one of the two largest accomplishments in his fourteen-year legislative life. One is the Welfare Reform and the ChalleNGe Program is the other. He felt the Conference Committee took a chance in funding the program and knows there is no better way to spend money.

General Prendergast explained the "buck stops here" in regards to both Governor Racicot and Senator Swysgood supporting the ChalleNGe Program. The General began exploring the program in 1993. He talked with everyone possible in the National Guard constantly asking for Montana to get this program. In the middle of the 1999 legislative session, he was notified the State of Kansas was not able to execute; therefore, the funds were offered to Montana. He went to Arizona and spent days with students in the ChalleNGe Program from 4:30 a.m. physical fitness training to

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lunch and dinner. With no other staff around, he asked the students to tell him why the program works. Their response was discipline and having someone who cares. It is that simple. He committed to accept the funds knowing he had to gain legislative support. The Guard looked at 7 locations and found the most cost effective location to be on the campus of Western Montana College at Dillon. This is the only ChalleNGe Program in the nation on a college campus. He is very proud of the working relationship WMC and the Guard has established. **General Prendergast** believes there are no "throw away kids." The General apologized for the method used in the last session to gain funding but invited committee members to hold him entirely responsible.

CHAIRMAN FISHER thanked **General Prendergast** for his explanation of the funding method. In the last session, some of the Senators and Representatives felt it was pushed through, but the Committee now has a better understanding of the situation. **CHAIRMAN FISHER** held further public testimony until after the presentation on the ChalleNGe Program to give everyone an opportunity to overview it.

SEN. BILL TASH, Senate District 17, Dillon, who replaced Mr. Swysgood asked to give testimony in order to return to his committee meeting. He stated he has had the opportunity to see the opposite of prevention with at-risk youth in dealing with the prison ranch theater and committee. He feels you can catch the at-risk youth earlier and set them in the right direction. The ChalleNGe Program has proven to be successful. He would submit this be given full consideration.

Mr. Mike Royer, Director, Montana Youth ChalleNGe Program, Dillon, Mt., addressed DP 201.

EXHIBIT (jch09a05)

Mr. Royer wanted to impress on the committee what the ChalleNGe Program really does and why it is needed here in Montana. Some years ago, a gentleman working for the National Guard Bureau at the Pentagon had a dream of creating a program to assist the growing population of at-risk youth nation-wide. He was able to get 10 pilot programs in 1993 throughout the United States to see if a military type structure and disciplined program could help redirect the growing population of at-risk youth and get them back on track. It has proven successful and this year will be operating in 32 separate states. Statistics have shown two-thirds of the at-risk youth group ages 16-18 will go to a correctional institution if not helped. The candidate is a volunteer for the program. Candidates must be a high school drop out, Montana citizen, unemployed or underemployed, drug free,

physical and mentally capable (TABE tested for reading ability especially), and no felony convictions or charges. A frequently asked question is whether or not Montana has enough youth at-risk to offer the program. He currently has 176 applications for the next class of 100.

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Mr. Royer stated it is a 17-month program with 2 weeks of assessment, 5 months in a residential phase, and 12 months in a post residential phase. In the last phase the cadet is matched with a mentor for the full 12 months. That is one of the most important parts of the program. The course is composed of eight core components--leadership, community service, job skills, academic excellence, citizenship, life coping skills, health and nutrition, and physical fitness. He asks the applicants to remember the last time they had three meals a day, eight hours of sleep, and were sober. Most cannot remember.

Mr. Royer went on to say part of the program's success has to do with the acceptance of the Dillon community and Western Montana College. Establishing individual self-esteem and self-respect is the starting point for success. Establishing goals is important. He cited the statistics of the TABE test results, GED test results, graduation numbers, and status of the graduates one year later.

Mr. Royer concluded by saying the ChalleNGe Program is pro-active. At ChalleNGe their saying is "There are no bad kids, just kids who have yet to receive the right opportunity." He feels that ChalleNGe is that right opportunity.

Ms. Jan Rouse, Deputy Director of Support Services for ChalleNGe, presented the budget requests, DP 201. The Department is requesting 43 FT and spending authority of \$2.8 million in each year of the 2002-2003 biennium.

EXHIBIT (jch09a06)

Ms. Rouse stated the state must provide 100% of their requirement in order for the full amount of federal funds to be granted. The state is to contribute 40% with the federal contribution being 60%. If the state were decrease any amount, the federal funds would decrease by 1.5 times that amount; therefore, a \$40,000 decrease by the state added to the \$60,000 reduction in federal funds would become \$100,000 reduction overall. The cost per student to the state is \$5600 which is in line with the cost of public education. In closing **Ms. Rouse** addressed the

accountability of the program. They are required to submit weekly reports, quarterly summaries and are strictly audited regularly.

SEN. ZOOK asked if the 43 FTE were new and additional or the original 43 FTE put in place with the one-time only expenditure that funded the program in 1999. **Ms. Rouse** responded they are not new.

SEN. CHRISTIAENS asked if this agency was under the vacancy savings rule. **Mr. Younkin** answered the Racicot proposal did not allocate vacancy savings to the ChalleNGe Program but the Martz budget does allocate vacancy savings of an overall reduction of \$4500 per year. Those vacancy savings are levied only against general fund. The National Guard could choose to reduce the federal match amount resulting in a total of \$9000 cut to the program.

PUBLIC COMMENT ON THE CHALLENGE PROGRAM

CHAIRMAN FISHER then asked for public comment.

Proponents' Testimony:

Cadet Abram Boise, as a current student in the program spoke in favor of the ChalleNGe Program. Having been expelled from high school before entering the program, he is now a 3.7 GPA student soon to turn 18 and become a voter. He hoped the committee would fund the program.

Mr. Paul L. Craft, Assistant Chief of Police, Dillon, stated there were a few problems with the beginning of the program; however, they have been dissipated within the program. He is also a mentor for one of the cadets. He spoke of his cadet's remarkable turn-around because of the program. He urged support of the program. He believes the proverb, "it takes a village to raise a child," describes the community of Dillon and the ChalleNGe Program.

Mr. Stan Smith, President of the Beaverhead County Museum, spoke as a Dillon citizen in support of the program. He feels the program is creating good citizens for the State of Montana and the Guard is doing right by these children. He recommended keeping the program.

Ms. Orlinda Palmer, parent of a recent graduate, testified without the program, she felt her daughter would not be here

today. She changed from her "Stepford" daughter to the daughter she once knew.

Cadet Tyler Rawson, graduate of the ChalleNGe program, spoke of the changes in his life. Included with these minutes is a copy of his graduation speech. He is now on his way to a college degree with full scholarship.

EXHIBIT(jch09a07)

Ms. Joan Grogan, Dillon, stated she believes the Montana Army National Guard offers a way out for troubled youth of Montana with the ChalleNGe Program. She has seen the "before and after" child. They are being changed from potential criminals to productive citizens.

Mr. Art Mulkey, Father, and Cadet Bigette Mulkey, from the first graduating class. Mr. Mulkey stated he went from shame to pride in his daughter. She has become productive, successful and sober due to the program.

Mr. Steve Hulbert, Chancellor, Western Montana College, Dillon. As being the only Youth ChalleNGe Program existing on a college campus, he stated is it extraordinarily successful. As a graduate of the ChalleNGe Program, a student can attend college. They have 6 graduates enrolled in Western.

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EXHIBIT(jch09a08)

Mr. Hulbert continued that the program has allowed over 100 student teachers at the college level to work with the at-risk student and experience a part of their future teaching career. It has given the prospective teachers a better handle on the teaching profession. **Mr. Hulbert** also stated it is a cost saving item for ChalleNGe and profitable for the college as the program uses the room and board facilities, telephone facilities, office facilities, etc. It is saving the State of Montana money.

Mr. Steve Boise, Parent of a Cadet, from the Livingston area. He stated his son kept their family in a state of chaos with his behavior before entering the program. One changed student can have an affect on parents, brothers and sisters, friends, the community and the state. These retrained students returning to their communities can have a huge positive effect in transforming those communities. He recommended not only maintaining current funding but expanding funding.

Mr. George Warner, Mayor of Dillon, spoke of the changes in the cadets. The economic benefits to Dillon include 43 jobs, money to Western Montana College, and money in the community. He is also on the board responsible for screening applicants. He spoke of the Native American student who leaves the reservation to go the program in Dillon. It removes them from the reservation environment sometimes for the first time in their lives. The community also benefits from the community service projects the cadets perform. He feels the money is so much better spent on this educational program than in the prison system.

Mr. John Barrows, Editor and Publisher of the Dillon Tribune, Dillon, stated the opposition to the program in the beginning was from those who did not understand the program. The youngsters, themselves, sold the program to the community in grand style with community service projects and community participation. The paper covers the ChalleNGe Program as if it were a second high school.

EXHIBIT (jch09a09)

Cadet Talitha Bennett stated continued funding of the program would be very beneficial. As a graduate of the program she is proud of her accomplishments and would like others to be able to experience the same feelings.

Ms. Judy Siring, Executive Director, Beaverhead Chamber of Commerce, left a scrapbook of the entire program as it progressed in Dillon.

EXHIBIT (jch09a10)

Mr. John Wilkerson, Teacher, Beaverhead County High School, Dillon, spoke of the many programs that have tried to reach the at-risk youth who fall through the cracks and has found this to be the first one he has seen work. He recommended the program be kept for as long as possible.

Ms. Wendy Mehring, Dillon, spoke to one of the problems of the program. Two boys stole her truck, were required to make restitution and write a letter of apology. Upon reading that letter she realized that at age 18, this youth could barely write. He was allowed back into the program and is currently doing well. She pointed out it is cheaper to educate youth than to rehabilitate them. She spoke in favor of the program even though she had experienced some of the bad behavior.

Rep. Debbie Barrett, Representative from Beaverhead County, Dillon, spoke in support of this program knowing of no other program this successful.

There were no opponents to the program.

CHAIRMAN FISHER closed the part of the hearing on the Challenge Program.

Ms. Mary LaFond, OBPP Representative, wanted to remind the Committee that later they would be hearing the Department of Corrections Budget which costs \$199 to \$240/day for a prisoner for a yearly total of \$87,000 per person versus the Challenge program costing \$4200 to \$4900 a year.

SEN. CHRISTIAENS asked how the mentoring program is set up.

Mr. Royer responded mentors come from the entire state mostly by recommendation of the cadets themselves as to someone they could respect and trust. The Program does a background check on all mentors, holds training sessions, and requires weekly meetings between cadets and mentors. The Program has recently found some support on the federal level to allow them to bring in some part-time help, which does not impact the budget or the FTE, to assist people in being pro-active in assisting the mentors.

SEN. CHRISTIAENS also asked about family involvement.

Mr. Royer replied that at some point during the program, a cadet will usually come to the staff with the statement they realize they cannot return to the environment from which they came if they are to remain on track. The Program tries to offer other alternatives such as the Youth Corp Program and enlistment in the military to enable them not to return to the environment. But they still have the same parents; therefore, the best the program can do is give the cadets the tools to make good choices for themselves when they leave the program. Family involvement during the residential portion of the program is relatively limited with the first day orientation, a Family Day mid-way through the program and a visit home during the program. Weekly letters and phone calls home are encouraged.

SEN. CHRISTIAENS expressed concern that this is a creaming of the crop since they are volunteers. He noted that the results seemed similar to a pre-release program. He also wanted to remind the Committee this is a 40% general match and that they had turned down \$360,000 federal monies last week for prevention in the Board of Crime Control.

SCHOLARSHIP PROGRAM

CHAIRMAN FISHER asked for the Scholarship Program information next. There were 4 people speaking as proponents.

Major Nikki DeWolf, Education Officer and Program Manager, State Scholarship Program, presented the budget requests.

EXHIBIT(jch09a11)

A scholarship winner has a six-year obligation to the guard. It is felt this program will help to keep the Montana Army National Guard fully manned. It has proven to be a strong retention tool.

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SEN. CHRISTIAENS asked the requirements for the Montgomery GI Bill. **Major DeWolf** responded the student must be a high school graduate or have a GED and have completed their technical training for the guard, and requires a six-year obligation. It takes about one to two years to qualify for the program.

CHAIRMAN FISHER asked the unit strength of the Air National Guard and the Army National Guard at this time. **Major Bill Potter** stated the Army National Guard strength is currently 2417 (about 87%) and **Chief Master Sergeant (CMSgt.) Roger Larsen** stated the Air National Guard is currently at 92% with about 1000 soldiers; however, there are 140 ready to retire. **CHAIRMAN FISHER** stated at the last session, funding was granted hoping it would enhance recruiting and help the guard become fully manned. **CHAIRMAN FISHER** stated for the information of the Committee that these statistics are the same as last session.

SEN. ZOOK asked about the representation of scholarships. There seemed to be none in the eastern part of the state. **Major DeWolf** replied there are, but the map she made was an abbreviated version to show scholarship winners do not come from only Helena.

SEN. CHRISTIAENS asked for clarification on use of scholarship monies in secular schools. The requirements do not seem to be the same for the GI Bill as the Scholarship Program. **CMSgt. Larsen** stated the Constitution of the State of Montana does not allow state funds to be used in secular institutions. The guard avoids the issue by awarding the scholarship to the student and not to the school. **SEN. CHRISTIAENS** urged the Guard to get an opinion from the Attorney General's Office as soon as possible

due to the students who may want to attend the College of Great Falls, Carroll College, and Rocky Mountain College.

Major Potter, Recruiting Manager, Army National Guard, gave testimony for the scholarship program. MANG is first on the scene to help Montanans in the safety of life and property. There is a dog fight for recruits with all the other branches of service and other components. This scholarship helps to capture recruits to stay in Montana and has increased the market share to 32%. Many times, that \$500 is that last item to tip the scale in a student's decision. The number one reason recruits state for enlisting in the guard is education, with skill training, pay, and duty to country following.

Cadet Candace Griffith, current student at UM, spoke about the effects the scholarship has had on her financial ability to attend college. She showed actual costs and how they had increased in only four years.

EXHIBIT(jch09a12) and **EXHIBIT(jch09a13)**

Specialist Casey Hayes testified in support of the scholarship program. He has had to drop out of college due to finances and would hope with a scholarship award this next semester, he can return to school.

Mr. Roger Hagan, Officer Enlisted Association for the National Guard, urged the committee to adopt the higher amount of \$350,000 as presented in Governor Racicot's budget. There is a shrinking membership pool in the Guard. The Association studied long and hard to come up with an education program for the Guard. They knew at the beginning of the program it would escalate due to students advancing in a four-year program. Currently for fall semester, 2000, there are 157 participants. In order to fund all 157 at four years each, they need \$350,000. When the Guard was called to fight fires, over 1700 soldiers were activated for an average of 14 days each. These Guardsmen deserve the Legislature's support in their education. Retention rates have been up. Even McDonald's offers scholarships now to retain employees. He left the Committee with one last thought--in fiscal year 2000 Guard payroll amounted to \$57,500,000 which generated \$2,150,500 in state income taxes. At the same time, the general fund portion for the National Guard budget was \$1,484,000 including the scholarship fund.

Senior Master Sergeant (SMSgt.) Angie Lamie, Recruiting Retention Superintendent, Air National Guard, gave the Committee some statistics. In the year 2000, they had the highest enlistment

rate they have had for the past 6 years with 137 people. It was the highest non-prior service rate they have had with 64% which is a 17% increase in any other year for non-prior service. Of the 64%, the highest reason for enlistment was education. There has been 0% loss of members on scholarship. The retention rate is 96% for 2000 which is the highest in the last 5 years. Scholarships are necessary to help student with college education. Two full-time working parents cannot afford the costs today.

Ms. Karen Furu, former scholarship recipient, testified of the importance of scholarships. If it were not for a federal scholarship, which is no longer available, she would not be a Registered Nurse today. She completed four years plus a Master's Program due to the scholarship.

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Ms. LaFond stated the \$50,000 reduction in the Martz budget revenue issue compared to two years ago. All state agencies had to take a 15% cut.

VETERANS AFFAIRS

Mr. Jim Jacobsen, Veterans Affairs, spoke to the budget requests for the Veterans Affairs Division. He stated he represents 90,000 veterans with 155,000 family members in the State of Montana. He went through the 5 decision packages per the exhibit.

EXHIBIT(jch09a14)

Three of the five-member Statutory Board of Veterans Affairs appointed by the Governor were at the hearing. He stated they have 8 offices scattered across the state assisting every county. That funding comes from the general fund. The Veterans Cemetery program is all funded through special revenue such as veterans license plate sales, donations from families and corporations, and charges for closing graves.

On DP 3101 the executive request states it is additional state special revenue and it should say state general fund. DP 3102 and 3103 ask for spending authority for the two cemeteries. He stated Custer County has offered to add a man to their cemetery crew and do the maintenance on the Veterans Cemetery. DP 3104 could be a one-time only allocation for replacement of office copiers. It also includes replacement of 8 computers to be in accordance with the state 4-year cycle policy of computer

replacement. DP 3105 is to reduce the general fund by \$24,449 in the biennium and use state special revenue support instead.

Ms. LaFond stated DP 3105 was a funding switch that was not complete. Only half of it was done. They need to add the funds back in to the special revenue section to complete the switch.

Mr. Jacobsen also presented the figures on license plate sales. There is a decrease in the fiscal year 2001 sales and they are looking into it. They have some concern since the sales appear to be dropping as World War II Veterans pass away.

SEN. CHRISTIAENS asked about the bank balance of \$350,000. **Mr. Jacobsen** is asking for spending authority of less than that amount which is permissible since the special fund account can roll over to the next biennium.

SEN. CHRISTIAENS asked if the increased number of veterans in the Missoula area were due to migration into the state or people moving from one area to another within the state. **Mr. Jacobsen** replied it is a return of veterans to Montana especially in Missoula and the Bitterroot Valley. The Veterans are returning to Montana upon retirement.

MONTANA ARMY NATIONAL GUARD

Brigadier General Randy Mosley, Assistant Adjutant General to the Army National Guard and Deputy Director for the Department of Military Affairs, briefly described the Army National Guard. The Army National Guard is a reserve component of the United States Army comprised of citizen soldiers--Montana citizens both men and women who have demonstrated a commitment to serve not only their nation but their state. The Army National Guard has a dual mission. At times, the soldiers have a federal mission and deploy to such locations as Kuwait and Bosnia. But as important here is the state mission of the Montana Army National Guard (MANG). When not federally activated, MANG is under the command of the Governor of the State of Montana. There are MANG divisions in 23 communities in Montana with facilities used for training and a wide variety of other activities in those communities. MANG provides a \$61 million impact to the State. The primary support in the state budget for the MANG program is for the support of the operations and maintenance of the facilities. Most decision packages will be relating to personnel, utilities, operations and maintenance critical to keep those facilities in operation. The federal government takes a strong role in the salaries and equipment but not the maintenance of facilities. **Brigadier General Mosley** then spoke on DP 27.

DP 27 returns \$7,093 to the general fund each of the two fiscal years. It is a reduction in regards to debt service being paid in full. The second part is a request for additional federal funds in the amount of \$3,458 in FY02 and \$4,436 in FY03 for the maintenance of two recruiting offices in the state experiencing rent increases. The federal government has authorized the additional funds. This is a request for spending authority.

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Mr. Chris Denning, who oversees the Facilities Operation and Maintenance Program, spoke to DP 1201. This division of the program is responsible for the operation and maintenance of facilities, both federal and state owned, across Montana. These facilities primarily house MANG; however, it also includes space for portions of Disaster Emergency Services, Veterans Affairs, and a small portion of the Air National Guard. Many of these facilities in the smaller communities are often used for community centers. There is a total of 1,800,000 square feet in 23 communities. Only Montana State University and the University of Montana have larger facilities. He explained where the funding breaks out as far as federal and state obligation is concerned. Mr. Denning explained DP 1201 and DP 1202 per the following exhibit.

EXHIBIT (jch09a15)

These are budget items for 5 maintenance division positions, 2 contracting and construction division employees, utility funding, additional spending authority, janitorial services, maintenance equipment and paint projects.

REP. PATTISON asked about the duties of the janitors. **Mr. Denning** replied it was for extra cleaning duties such as waxing floors, restroom maintenance and cleaning, and more specialized cleaning. Currently the staff are doing the routine cleaning of their own offices.

REP. PATTISON asked for clarification on the paint projects. **Mr. Denning** stated it would be for the contract labor.

SEN. CHRISTIAENS asked the percentage used to put the utility budget together. **Mr. Denning** stated 75 cents per square foot was used. These requests are for the differences expected for the increase coming in utility costs. **SEN. CHRISTIAENS** asked the LFD how the utility costs were figured. **Mr. YOUNKIN** responded he let stand the agencies' projections for utilities that came through from the last budget. **Ms. LaFond** believed increases for the

utility costs were not included. **Mr. Denning** stated they used historical averages. They have not requested additional monies based on where utility rates might go. **Ms. LaFond** stated the Budget Office knew the costs were escalating before the Legislature met but did not included higher figures. There should be requests coming in from all agencies for these increases.

REP. PATTISON asked if the square footage of maintaining facilities has ever been broken down by hanger space, office space, storage space, etc. **Mr. Denning** used full square footage figures as do all other agencies he contacted in order to compare FTE to square footage.

SEN. CHRISTIAENS stated the issue of copiers and computers the committees are seeing in every budget is a concern. He asked if the Department of Administration has looked at some consistency dealing with these replacements. **SEN. ZOOK** stated the IT Budget is coming up but there is a 4-year replacement policy statewide. **Mr. Younkin** did apply the 4-year replacement policy evenly across all agencies. If there was a significant variance, he would place a comment in the budget analysis. **Ms. LaFond** stated the standard cost for a computer replacement is figured at \$2000 and the recommendation is the 4-year replacement time line.

SEN. CHRISTIAENS complimented **Mr. Denning** on being able to report the maintenance figures with square footage. He would like to see all agencies be able to report in that manner. **Mr. Denning** stated other agencies are looking at their system of reporting.

Mr. Ralph DeCunzo, who oversees the Contract and Construction Division, gave further explanation to **REP. PATTISON** regarding the square footage figures for maintenance. There are two helicopter hangers and about 5,000 square feet of storage space statewide still leaving a very large amount of footage in the 23 locations to be maintained by the current staff.

He proceeded to give a brief overview of the Contracting Division which is responsible for contracting all the construction work incurred by the department as well as the new and major maintenance projects. The department oversees the actual design and development of construction documents and spend time with the design team in the construction process. Some of the facilities the department is currently replacing are WWII buildings. The building program exceeds \$100 million. The impact in labor wages only is between \$30 and \$35 million which is back into the job market in the state. Building has gone on in locations other than Helena such Libby, Malta, Kalispell, Billings, etc.

Projects include new roads, barrack additions, indoor bathroom, rifle ranges, and pistol ranges. The Department has added over 1,000,000 square feet of space since 1996.

Mr. DeCunzo went over the portion of DP 1201 which is a 100% federally funded mechanical engineer position. The position has been needed for a long time. This person would help make the best investment for our tax dollars by working with private sector to develop a plan for building projects. Utility costs can be kept down if a good job is done with the mechanical systems. Consumption of energy is a primary concern. This is an opportunity to take advantage of available federal funds.

Mr. DeCunzo also stated a project manager is needed. The contractor can make his largest profit margin in change orders after construction has begun. With a captive audience change orders are made and the cost has to be met. With a project manager on the job in the beginning working with the contractor, fewer change orders are done. The current project managers are pushed to the limit.

Mr. Younkin stated as a point of clarification that absence of a comment from the LFD staff does not necessarily mean an endorsement of the proposal.

Ms. LaFond stated the absence of a project manager has been a reason for the delay in the Pine Hills project.

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Brigadier General Mosley presented a chart showing the home locations of the national guard people who participated in fire fighting. **EXHIBIT(jch09a16)**

General Mosley addressed DP 1203 as a reduction for computer replacement funding. DP 1224 is an out of state travel reduction to the base budget to a figure more in line with a 5-year average.

Colonel Mike McCabe, Executive Officer to the Adjutant General, presented DP 28 Distance Learning asking for an increase in state special revenue authority of \$2,500 generated by the shared use of distance learning environments in our national guard armories.

EXHIBIT(jch09a17)

Colonel McCabe stated the Guard was able to obtain \$4.6 million in federal funding to allow soldiers to conduct training within the armories without the necessity of always having to travel to another location such as Helena. Training will be accomplished using video teleconferencing and computer based training. The Guard learned only recently they had no flexibility in the amount to charge communities for use of the guard facility. It has been set at \$50.00 per hour and will generate more than they anticipated when putting the budget together. The system will not be operational until May or June, 2001. The purpose of the charge is to reimburse the federal government for non-guard use. This is not in competition with METNET. METNET is to be used first if available.

Ms. LaFond stated the Governor's Budget Office does support this increase in spending authority.

CHAIRMAN FISHER asked where the money comes from. **Colonel McCabe** stated the money comes from the hourly charge generated from the use of the classrooms in the facilities at \$50/hour. The advantage is in savings by being able to train at home rather than to travel to a training location.

REP. PATTISON asked if this program would take over current video teleconferencing being done by the University system and the Deaconess Hospital. **Colonel McCabe** replied it only fills a gap.

REP. PATTISON asked if equipment could be shared already in place. **Colonel McCabe** stated only three communities were willing to enter into an agreement that encompassed refreshing and maintaining equipment in a joint effort. **REP PATTISON** asked if the Guard had people in place to use and maintain the equipment when in place. **Colonel McCabe** stated it is contracted out in combination with the warranties of the equipment.

MONTANA AIR NATIONAL GUARD

Lt. Colonel Brad Livingston, Support Group Commander for the Montana Air National Guard briefly explained their mission which is to maintain a trained and equipped military organization of nearly 1000 members for use in state and national emergencies. They are able to deploy individuals within 4 hours of a call. The Air Guard is co-located at the Great Falls International Airport with 18 state-of-the-art F-16 aircraft. The total value of equipment and facilities on the base exceeds three-quarters of a billion dollars. To keep the assets combat ready requires a cooperative effort with the State of Montana in security, fire protection for both the Guard facility and the Great Falls International Airport, and the facility maintenance which is 75%

federal and 25% State. The Air Guard has DP 1301, Fire Fighter Overtime and Holiday Pay and DP 1302, Security Contract Increase. Both DPs will be covered by 100% federal funding.

EXHIBIT(jch09a18)

DISASTER AND EMERGENCY SERVICES DIVISION

Mr. Jim Greene, Administrator of Disaster and Emergency Services gave a brief overview of the division.

EXHIBIT(jch09a19)

This Division had a goal to maximize the amount of state and local government reimbursement from the federal government due to fires. They worked with FEMA to make sure the western states were treated fairly and equally when a fire situation happened.

Mr. Greene then spoke to the decision packages.

There was some discussion on DP 2107 which is a request for a server replacement. It will be 5 years old in 2003. During the fire season, it was overloaded and crashed. Invaluable information is sent through this computer system during a crisis. This server supports other Department of Military Affairs functions as well.

{Tape : 4; Side : B; Approx. Time Counter : 0}

The new proposal is for an increase in federal special revenue spending authority and one FTE for DES Terrorism/Weapons of Mass Destruction Program. In Montana, terrorism and/or mass destruction training would involve Amtrak derailments with spills, school violence, bomb threats, etc. They are working with numerous other departments to construct a 5-year strategic plan which meets federal requirements. They find a problem in eastern Montana with no fully equipped and organized hazardous materials teams ready to go. Central Montana and the highline are additional areas of concern. People need to be trained so that first responders do not become additional victims.

REP. PATTISON asked **Mr. Greene** for a definition of terrorism. Mr. Greene stated spilled diesel fuel would be an example of a hazardous materials spill but not terrorism. Terrorism includes an intent to create political shift by using violence.

That concluded Mr. Greene's presentation.

PUBLIC TESTIMONY

Mr. Joe Upshaw, Helena, gave testimony in support of all the Guard does for the State of Montana. **Mr. Upshaw** has 63 years of service for communities in the State with 40 years of Guard service. He also asked the committee for support of the ChalleNGe Program.

Mr. Paul Spengler, Lewis and Clark County DES Coordinator, testified on behalf of the DES budget. The smaller the staff in any part of Montana, the more that community counts on the DES.

EXHIBIT(jch09a20)

Mr. Jim Hirose, Chief, Great Falls Fire Department, gave testimony for the importance of the DES particularly in support of DP 2105. It is especially important for the rural responder in the State of Montana to have DES help.

Mr. Roger Hagen came before the committee as a taxpayer and citizen. He has worked for 30 years in the Guard. He sat in the DES briefings every day during the fires and was so impressed to seem them bring together agencies, citizens, state employees, guardsmen, and volunteers to work for the state.

General Prendergast closed by thanking all his staff and the committee for the job they do for the State of Montana.

CHAIRMAN FISHER closed the hearing with the announcement Executive Action would be held Monday, January 15, at 8:30 a.m.

SEN. CHRISTIAENS placed a letter in these minutes to the Department of Administration concerning increasing rents/leases for those agencies asked to leave the Capitol complex.

EXHIBIT(jch09a21)

Ms. LaFond introduced Christy Tyson, new staff member for the Budget Office.

CHAIRMAN FISHER also announced the tour to Missoula for the Regional Prison and Forensic Science Lab. The van will leave at 7:00 a.m. return by 4:00 p.m.

January 12, 2001

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ADJOURNMENT

Adjournment: 12:08 P.M.

REP. STANLEY FISHER, Chairman

SANDRA WHITAKER, Secretary

SF/SW

EXHIBIT (jch09aad)